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Argentina

Oilseeds and Products

November Update

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Report Highlights:

Post estimates 2002/03 soybean production at 32.5 million tons and area harvested at 12.3 million hectares, an increase of 1.5 million tons and 300,000 hectares from the USDA October estimate. As a result of the record production estimate, exports of soybeans and products are also forecast to reach record levels. The increased estimates are the result of continued expectations of profitability in agricultural production along with adequate capital to purchase inputs.

Includes PSD changes: Yes

Includes Trade Matrix: No

Unscheduled Report

Buenos Aires [AR1], AR

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Executive Summary

Prospects for soybeans continue to look bright as with agricultural production in general. Soybean area has increased as sufficient working capital has allowed producers to take advantage of the prospect of good returns for the upcoming crop. Soybean production is now forecast at a record 32.5 million tons, and increase of over 8 percent from the previous crop, now forecast at 30 million tons. The increased production is also expected to lead to record exports of soybeans and products in the upcoming marketing year.

Soybeans

Production

Post estimates the 2002/03 soybean crop at 32.5 million tons, an increase of 1.5 million tons over the October USDA estimate. Anticipated harvest area is now set at 12.3 million hectares, 300,000 hectares more than previously estimated and an increase of 8 percent from 2001/02. Yields for the upcoming crop are expected to maintain the levels of last year, as higher yields from greater 1st crop soybeans should be somewhat offset by increased planting in marginal soybean areas. In addition, input and fertilizer use is not expected to be affected by the overall economic situation, rather producers are likely to optimize use of inputs to increase production.

Overall, excellent expected returns have created incentives to plant additional land to crops. This combined with access to sufficient working capital has allowed for increased area and production estimates, particularly in soybeans. While corn has continue to exhibit higher potential returns versus soybeans, the lower cost of production and overall lower risk to producing soybeans has induced producers to plant the oilseed. Producers have also been able to avoid many of the anticipated problems with lack of credit and financing through the use of capital derived from the sale of last year's crop held as on farm stock and the use of next year's crop as collateral on the purchase of inputs for the current campaign.

Post has also revised 2001/02 soybean production to 30 million tons an increase of 500,000 tons, with area harvested also increased by 100,000 hectares to 11.4 million hectares. These figures now are in-line with official estimates of the Argentine Secretariat of Agriculture.

Trade

Exports of soybeans and products are forecast to increase in 2002/03 due to the increased production. Soybean exports are estimated at a record 9.2 million tons, 1.4 million tons more than this year. Record exports of soybean meal and oil are also forecast, at 17.6 and 4.2 million tons respectively.

For 2001/02 marketing year, which began in April 2002, exports of soybeans are estimated at 7.8 million tons, despite current marketing-year-to-date exports lagging behind the pace of 2000/01, when 7.3 million tons were exported. Exports in the second half of the marketing are expected to be much higher than in previous years due to the increased supply left by producers who continue to hold on to stocks. Estimates range from 20 to 30 percent of the 2001/02 soybean crop (6 to 9 million tons) is still in the hands of producers. As this supply is released into the open market, Argentina will be able to export additional supplies during months not traditionally seen.

Stocks

The estimate for ending stocks for the 2001/02 year has been raised 200,000 tons to 940,000 to reflect increased on farm storage of grains and oilseeds. Producers continue to be reluctant to sell their entire reserves, content to hold some portion of their crop as security given the continuing economic uncertainty.

Sunflowerseed

Post maintains the current sunflowerseed estimate at 4 million tons with a harvested area of 2.3 million hectares. As of late October over 35 percent of projected area had been planted, however, recent wet weather has delayed planting in many sunflowerseed areas.

PSDs**Soybeans**

PSD Table						
Country	Argentina					
Commodity	Oilseed, Soybean (Local)				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		04/2001		04/2002		04/2003
Area Planted	10400	10400	11300	11400	12000	12300
Area Harvested	10400	10400	11300	11400	12000	12300
Beginning Stocks	117	117	117	367	740	940
Production	27800	27800	29500	30000	31000	32500
MY Imports	420	420	400	400	400	400
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	28337	28337	30017	30767	32140	33840
MY Exports	7500	7250	7600	7750	8600	9150
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	19500	19500	20400	20800	21600	22600
Food Use Dom. Consump.	10	10	10	10	10	10
Feed,Seed,Waste Dm.Cn.	1210	1210	1267	1267	1300	1350
TOTAL Dom. Consumption	20720	20720	21677	22077	22910	23960
Ending Stocks	117	367	740	940	630	730
TOTAL DISTRIBUTION	28337	28337	30017	30767	32140	33840
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Soybean Meal

PSD Table						
Country	Argentina					
Commodity	Meal, Soybean (Local)				(1000 MT)(PERCENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		04/2001		04/2002		04/2003
Crush	19500	19500	20400	20800	21600	22600
Extr. Rate, 999.9999	0.794872	0.794872	0.795343	0.790865	0.795	0.790929
Beginning Stocks	219	409	400	250	400	330
Production	15500	15500	16225	16450	17172	17875
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	15719	15909	16625	16700	17572	18205
MY Exports	15100	15450	16000	16150	16900	17600
MY Exp. to the EC	6500	6500	6870	6870	6900	7000
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	219	209	225	220	250	235
TOTAL Dom. Consumption	219	209	225	220	250	235
Ending Stocks	400	250	400	330	422	370
TOTAL DISTRIBUTION	15719	15909	16625	16700	17572	18205
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Soybean Oil

PSD Table						
Country	Argentina					
Commodity	Oil, Soybean (Local)				(1000 MT)(PERCENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		04/2001		04/2002		04/2003
Crush	19500	19500	20400	20800	21600	22600
Extr. Rate, 999.9999	0.183846	0.185897	0.183824	0.185096	0.183796	0.185398
Beginning Stocks	31	171	86	80	85	90
Production	3585	3625	3750	3850	3970	4190
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	3616	3796	3836	3930	4055	4280
MY Exports	3410	3595	3625	3700	3840	4055
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	5	5	6	5	0	5
Food Use Dom. Consump.	115	116	120	120	120	125
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	120	121	126	125	120	130
Ending Stocks	86	80	85	90	95	95
TOTAL DISTRIBUTION	3616	3796	3836	3915	4055	4280
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0